

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 FREMONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94105

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CALIFORNIA CODE OF REGULATIONS, TITLE 10
CHAPTER 5, SUBCHAPTER 1.

ADOPT ARTICLE 6.5 TO READ:

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ARTICLE 6.5 PRELICENSING AND CONTINUING EDUCATION

Section 2186.1 Definitions

For purposes of these regulations:

- (a) "Provider" means an institution or organization and described in Section 1749.4 of the California Insurance Code, including an authorized insurer, recognized agents' association, and insurance trade associations, and any accredited college, university or trade school, or any other person or entity offering classes, courses, seminars, programs and self-directed study in insurance intended to satisfy the requirements of Sections 1749 or 1749.3 of the California Insurance Code.
- (b) "Provider director" means the individual within a provider organization with responsibility for the administration of the programs approved by the Commissioner pursuant to 1749 and 1749.3 of the California Insurance Code.
- (c) "Certified provider" means a provider who or which has been determined by the Commissioner to meet the requirements of Section 2188 of this article.

- (d) "Controlling person" means any of the following persons within a provider possessing decision making authority in matters pertaining to prelicensing and/or continuing education: a provider director, partner, corporate director, officer, shareholder owning a 10% or more interest in the organization, or other person with decision making authority.
- (e) "Instructor" means a person who conveys curricular content to students on behalf of a provider.
- (f) "Student" means:
 - (1) an individual taking a prelicensing education course that is required as a prerequisite to obtaining a life agent, ~~or fire and casualty broker-agent license; or, or personal lines broker-agent license; or,~~
 - (2) an individual taking an education course study to satisfy the requirements of Section 1749.3 of the California Insurance Code.
- (g) "Classroom" means:
 - (1) any space sufficiently designed so that the instructor (s) and students can communicate with a high degree of privacy and relative freedom from outside interference; or
 - (2) for continuing education courses only, classroom may include teleconferences with audio/visual interface.
- (h) "Course" means any program of instruction taken or given to satisfy the requirements of Sections 1749 or 1749.3 of the California Insurance Code.
 - (1) A "contact course" is a classroom presentation, seminar, workshop, conference, lecture, or teleconference with monitored attendance. A "class" is a contact course presentation.
 - (2) A "self-directed course" is a continuing education course, with study material in text, video, audiocassette, computer disk form, or other similar form designed for individual study by a licensee. Attendance monitoring is not required.
- (i) "Approved course" means a course for which the Commissioner has granted his written approval.

- (j) "Curriculum" is a statement describing the general content required in a course of study to satisfy the requirements of Sections 1749 et. Seq. of the California Insurance Code. Each curriculum is approved by the curriculum board and the Commissioner.
- (k) "Original Signature" means the provider director's actual signature. Original signatures are required on all provider and course applications and renewals, as well as on each Prelicensing/Continuing Education Program Out-of-State Provider Jurisdiction Agreement form (Form 446.40) and Prelicensing and Continuing Education Provider Stipulation to Maintain Records Outside of California form (446-32). A provider may utilize either a controlled signature stamp, or a computer generated signature, or appoint an authorized designee for purposes of signing an other forms. Prior to using either a signature stamp or a computer generated signature, the provider must submit to the Department a thorough explanation of the stamps the provider has taken to ensure the security of either the stamp or computer facsimile. Prior to utilizing an authorized designee the provider must submit to the Department a list of the names of the persons so authorized, along with a sample of each person's signature.

NOTE: Authority cited: Section 1749.7 of the California Insurance Code. Reference: Section 1749, 1749.1, 1749.3, and 1749.4 of the Insurance Code.

Section 2187.1 Prelicensing Education for Life Agents

- (a) Any course taken to satisfy the prelicensing education requirement of Section 1749 ~~(b)~~(c), effective January 1, 2002, of the California Insurance Code shall be in a classroom and shall use the general subject matter derived from the following curriculum.

- I. GENERAL INSURANCE
 - A. Basic Insurance
 - 1. History
 - 2. Concepts and Principles
 - B. Contract Law
 - C. The Insurance Marketplace
 - 1. Distribution Systems
 - 2. Producers
 - 3. Insurers
 - 4. Market Regulation - General
- II. LIFE INSURANCE
 - A. Life Insurance : Basic Concepts
 - B. Types of Life Policies and Riders

- C. Annuities
- D. California Insurance Code Requirements for Policy Replacement and Flat Cancellation
- E. The Life Insurance Contract
- F. Taxation of Life Insurance Premium and Proceeds
- G. Employee Benefits Plans ; Life
- H. Social Insurance System
- I. General Concepts of Underwriting, Pricing and Claims
- J. Financial Structure of Insurers
- III. HEALTH and DISABILITY INCOME INSURANCE
 - A. Basic Disability Insurance Principles and Concepts
 - B. Medical Expense Insurance
 - C. Medicare and Medi-Cal Insurance
 - D. Long Term Care Insurance
 - E. HICAP Program - Health Insurance and Counseling Advisory Program
 - F. Disability Income Insurance
 - G. Worker's Insurance
 - 1. General Concepts
 - 2. Concept of 24-Hour Coverage

IV. NEW DEVELOPMENTS

- A. Legal
- B. Insurance Products and Practices

- (b) The examination required for licensure as a life agent pursuant to California Insurance Code Section 1676 shall be based on the subject matter reflected in the foregoing curriculum

NOTE: Authority cited: Section 1749.7 of the California Insurance Code. Reference: Section 1749, 1749.1 of the Insurance Code.

Section 2187.2 Prelicensing Education on Ethics and the California Insurance Code

- (a) Any course taken to satisfy the prelicensing education requirement of Section 1749 ~~(e)~~(d), effective January 1, 2002, of the California Insurance Code shall be in a classroom and shall use the general subject matter derived from the following curriculum:

I. GENERAL INSURANCE

- A. Basic Insurance Concepts and Principles
- B. Contract Law
- C. Producers
- D. Insurers
- E. Market Regulation : General Concepts

II. PROPERTY AND LIABILITY (Fire and Casualty and Personal Lines , effective January 1, 2002)

- A. General
- B. Personal Auto
- C. Excess and Surplus Lines
- III. LIFE INSURANCE (Life Insurance only)
 - A. Life Insurance
 - B. Annuities
- IV. HEALTH AND DISABILITY INCOME INSURANCE (excluding Personal Lines, effective January 1, 2002)
 - A. Health and Disability Income
 - B. Senior Health Products
- V. NEW DEVELOPMENTS
 - A. Legal
 - B. Insurance Products and Practices

(b) The examination required pursuant to Insurance Code Section 1676 shall be based on the subject matter in the foregoing curriculum.

NOTE: Authority cited: Section 1749.7 of the California Insurance Code. Reference: Section 1749, 1749.1 of the Insurance Code.

Add Section 2187.3 Prelicensing Education for Personal Lines Broker-Agent

(a) Any course taken to satisfy the prelicensing education requirement of Section 1749 (b) of the California Insurance Code as effective January 1, 2002, shall be in a classroom and shall use the general subject matter derived from the following curriculum:

- I. GENERAL INSURANCE
 - A. Basic Insurance
 - 1. History
 - 2. Concepts and Principles
 - B. Insurance Contract Law
 - C. The Insurance Marketplace
 - 1. Distribution Systems
 - 2. Producers
 - 3. Insurers
 - 4. Market Regulation
- II. BASIC CONCEPTS OF PROPERTY AND LIABILITY INSURANCE
 - A. Basic Legal Concepts: Tort Law
 - B. Property and Liability Basics
 - C. Property and Liability Policies: General Concepts
- III. PERSONAL LINES INSURANCE
 - A. Dwelling Insurance
 - 1. Dwelling Insurance: General Concepts
 - 2. Dwelling Fire/Homeowners Section I

3. Homeowners Section II / (Comprehensive Personal Liability)
4. Selected Homeowners Endorsements
- B. Inland Marine
 1. Inland Marine: General Concepts
 2. Inland Marine: Personal Insurance
- C. Government / Pools / Catastrophe - Property Insurance
 1. Earthquake Coverage
 2. FAIR Plan
 3. National Flood Insurance
- D. Personal Auto
 1. Personal Auto - General Concepts
 2. Personal Auto - Liability / Medical / Uninsured Motorist
 3. Personal Auto - Physical Damage / Miscellaneous
 4. California Automobile Assigned Risk Plan (CAARP)
 5. Motorcycles
 6. Recreational Vehicles
 7. GAP Coverage
- E. Umbrella and Excess Liability Insurance
- F. Low-Cost Automobile Insurance
 1. Be able to identify:
 - (a) What is low-cost automobile insurance?
 - (b) What are the costs for this insurance?
 - (c) Who is eligible to purchase low-cost automobile insurance?
 - (d) What are the cancellation and renewal procedures for low-cost automobile insurance?
 - (e) What are the coverages and limits available?

IV. NEW DEVELOPMENTS

- A. Legal
- B. Insurance Products and Practices

(b) The examination required for licensure as a personal lines broker-agent pursuant to California Insurance Code Section 1676 shall be based on the subject matter reflected in the foregoing curriculum

NOTE: Authority cited: Section 1749.7 of the California Insurance Code. Reference: Sections 1749 and 1749.1 of the California Insurance Code.